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DEPARTMENT OF NATURAL RESOURCES

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Division of Oil, Gas and Mining

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M1021/0008

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Inspection Report Minerals Regulatory Program January 6, 2010

Reviewed:

Mine Name: Iron Bull Mining and Milling	Permit Number: E/021/0048 & M/021/0008
Operator Name: Palladon Iron Mine	Inspection Date: May 20, 2009
Inspector(s): T Munson	Time: 1:00-5:30 PM
Other Participants: Aly Pedersen, Clyde Yates	Mine Status: Proposed Exp. And Insp.

Elements of Inspection	Evaluated	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (shafts, adits, trash, signs, highwalls)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages / Erosion Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Bond Amount: \$1,481,200.00

Permit Fees: Current

Purpose of Inspection: Site Inspection.

Inspection Summary: The proposed exploration was toured and all drill hole locations were marked. Access roads to the drill holes were marked as well. The holes are 1000 feet deep and considered wet. Next, we toured the mine site. We inspected the waste dump expansion, the active pit where waste was being stripped. Gilbert and Gilbert are the mining contractors who own all the equipment for mining and crushing. The future is uncertain and based on making a payment to Luxor for the mine to continue.

Photos were taken to document site conditions.

Conclusions and Recommendations:

The site be inspected annually. The exploration has not been approved and bond received due to disputes on the land, based on correspondence received in August 2009.

Inspector's Signature

TM:vs

cc: Palladon Iron Corp. 554 S 300 E Ste 250 Salt Lake City, Ut 84111-3509

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loadout



New landfill



Pit lake



Stripping overburden